

**TROY CITY COUNCIL
FINANCE MEETING AGENDA
NOVEMBER 3, 2022
5:30 P.M.**

Pledge of Allegiance
Roll Call
Presentation of Agenda
Comptrollers Review of 3rd Quarter Report
Public Forum

ORDINANCES

69. Ordinance Authorizing Reduced Building Permit Fees For Construction Of The Taylor I Housing Project (Council President Mantello) (At The Request Of The Administration)

**ORDINANCE AUTHORIZING REDUCED BUILDING PERMIT FEES FOR
CONSTRUCTION OF THE TAYLOR I HOUSING PROJECT**

The City of Troy, convened in City Council, ordains as follows:

- Section 1.** Troy City Code § 141-9 requires that fees be paid to the Director of Code Enforcement before necessary building permits may be issued for construction of the Taylor I Housing Project.
- Section 2.** The estimated building permit fees for construction of this Project exceed \$300,000.00.
- Section 3.** Because of substantial recent inflation in material and construction costs, the Taylor I Housing Project is in jeopardy of being underfunded and not being built.
- Section 4.** Both the Project Developer and the Troy Housing Authority have requested that the City reduce the building permit fees applicable to this Project.
- Section 5.** The City Council hereby sets the building construction permit fees for the Taylor I Housing Project to be due to the City in the reduced amount of \$175,000.00, in order to ensure the Project's financial stability and survival.
- Section 6.** This Ordinance shall take effect immediately.

Approved as to form, _____, 2022

Richard T. Morrissey, Corporation Counsel

MEMORANDUM IN SUPPORT

As initially proposed, the Taylor I Housing Project to be built at River and Congress Streets would have been subject to generally applicable City of Troy building permit fees. However, because of recent inflation in material and construction costs, the Project is in great financial jeopardy. The Project Developer Pennrose is seeking to cut costs significantly and represents that it is deferring its developer fees for 15 years. The estimated building permit fees of approximately \$300,000.00 are an additional substantial initial expense for construction of the Project. Both the Developer and the Troy Housing Authority have requested that the City reduce the building permit fees to assist the development of this low income housing Project.

Historically, it appears that the City has waived its building permit fees for similar public/private projects in the recent past, namely the Martin Luther King redevelopment and probably for the Kennedy Towers redevelopment as well. In addition, Paragraph 5 of the 1950 Agreement with the Troy Housing Authority that originally governed the relationship between the City and the Housing Authority for the provision of public housing in Troy, including the original Taylor Apartments where the current project is proposed to be built, expressly states in relevant part:

During the period commencing with the date of the acquisition of any part of the site or sites of any Project and continuing so long as . . . such Project is used for low-rent housing purposes, . . . the City without cost or charge to the Local Authority or the tenants of such Project . . . shall . . . (c) insofar as the City may lawfully do so, grant such waivers of the building code of the City, as are reasonable and necessary to promote economy and efficiency in the development and administration of such Project.

The City's 1950 Agreement with the Troy Housing Authority has never been abrogated, and there is substantial recent precedent for the City to take into account this Project's public purpose in setting the building permit fees as may be reasonable and necessary to ensure the Project's viability.

This Ordinance sets the building permit fees for the Taylor I Housing Project at the reduced amount of \$175,000.00.

Approved as to form _____, 2022

Richard T. Morrissey, Corporation Counsel